



SUCCESS STORY

A Bigger and Better Road

USAID credit guarantee helps city make its main thoroughfare safer



Pedestrians and drivers in the northwestern Bulgarian city of Montana now enjoy an improved and better-lit road connecting the city to the main highway.

Montana is the largest city in the sparsely populated northwestern corner of Bulgaria. An ancient Roman city, its name derives from the Latin word for mountain. It was a strategically important town under Bulgaria's Turkish occupation, and the remains of Turkish baths are among its historical sights.

Today a city of 50,000, Montana has a strong local economy and an active municipal government. Montana's local authorities have taken important steps to improve municipal infrastructure as a long-term investment in the city's future.

In 2006, USAID guaranteed a five-year, 2 million leva (approximately \$1.5 million) loan to the municipality of Montana to upgrade the main road connecting the highway to the city center. The upgrade included not only widening and repaving the road but also critical street lighting, construction of walkways, sidewalks, and an overpass, and the laying of underground pipes and cables for water and telephone lines.

Municipal officials describe the impact of the road upgrade as "huge." The road is now safer for both drivers and pedestrians, the entrance to the city is more attractive, traffic congestion has decreased, and residents enjoy easier access to the city center and the region's largest hospital.

The USAID Development Credit Authority (DCA) has a \$66.5 million credit guarantee program in Bulgaria and operates through five banks and one microfinance institution. The guarantee program targets municipal infrastructure and energy efficiency projects, as well as SME lending in competitive sectors.